Village of South Holland, Illinois

Financial Report
April 30, 2015

Contents

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Independent Auditor's Report

RSM US LLP

To the Honorable President and
Board of Trustees
Village of South Holland, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of South Holland, Illinois ("Village"), as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of South Holland, Illinois as of April 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements, during the fiscal year ended April 30, 2015, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board ("GASB") Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB No. 25.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (on pages 3-13), pension and Other Post Employment Benefit (OPEB) related schedules of funding progress, employer contribution, and pension liabilities information (on pages 68-75), and budgetary comparison information (on pages 76-78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information (on pages 65-71) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
October 26, 2015

Basic Financial Statements

Management's Discussion and Analysis

The management of the Village of South Holland ("Village") is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2015. Please read it in conjunction with the Financial Statements in this report.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of fiscal year 2015 by $58,889,378 and fiscal year 2014 by $58,191,404. Of the current year amount, $(6,595,324) represents the unrestricted net position (deficit). Total payments made on bonded debt of the Village totaled $2,421,692 during the fiscal year. At the end of the current fiscal year, unassigned fund balance for the general fund was $4,003,462 or 18 percent of total general fund expenditures, whereas at the end of fiscal year 2014, unassigned fund balance for the general fund was $4,166,498 or 19 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements provide a broad overview of the Village's finances in a manner similar to a private-sector business. The government's current financial resources are combined and consolidated with capital assets and long-term obligations using the accrual basis of accounting.

The statement of net position presents information on all of the Village's assets, deferred inflows of resources, liabilities and deferred outflows of resources, with the remaining difference between the categories reported as net position. In the future, the increase or decrease in net position may be a useful indicator of whether the Village's financial position is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as they occur, regardless of the timing of cash flow. Therefore, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods. The costs of various governmental services and any subsidy to business activities are presented.

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general government, public works, public safety, and the garbage department. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water operations.

The government-wide financial statements include the financial activities of the Village and the Village's component unit.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Village funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund statements is narrower than that of the government-wide financial statements, it may be useful to compare similar information to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains 23 individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for three major funds: General Fund, Downtown TIF Fund, and South Suburban College TIF Fund. Data from the other 20 governmental funds are combined into a single, aggregated presentation.

The Village adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

One type of proprietary fund is an enterprise fund. The Village maintains one enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The function is water operations. Water operations are considered to be a major fund of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees and its compliance to the General Fund budget.

Government-Wide Financial Analysis

The following tables are the condensed Statement of Net Position for the Village of South Holland as of April 30, 2015 and 2014, respectively.

April 30, 2015

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	$ 25,108,358	$ 355,999	$ 25,464,357
Capital assets	69,469,370	10,118,771	79,588,141
Total assets	94,577,728	10,474,770	105,052,498
Deferred outflows of resources	837,551	-	837,551
Current liabilities	3,674,615	698,964	4,373,579
Long-term liabilities	27,080,237	3,190,513	30,270,750
Total liabilities	30,754,852	3,889,477	34,644,329
Deferred inflows of resources	12,356,341	-	12,356,341
Net position:			
Net investment in capital assets	49,650,403	6,755,172	56,405,575
Restricted	9,079,127	-	9,079,127
Unrestricted (deficit)	(6,425,445)	(169,879)	(6,595,324)
Total net position	$ 52,304,085	$ 6,585,293	$ 58,889,378

April 30, 2014

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	$ 25,306,546	$ 831,897	$ 26,138,443
Capital assets	68,098,820	10,492,350	78,591,170
Total assets	93,405,366	11,324,247	104,729,613
Deferred outflows of resources	615,715	-	615,715
Current liabilities	3,755,479	663,215	4,418,694
Long-term liabilities	27,338,683	3,363,599	30,702,282
Total liabilities	31,094,162	4,026,814	35,120,976
Deferred inflows of resources	12,032,948	-	12,032,948
Net position:			
Net investment in capital assets	45,756,301	6,957,809	52,714,110
Restricted	7,608,002	-	7,608,002
Unrestricted (deficit)	(2,470,332)	339,624	(2,130,708)
Total net position	$ 50,893,971	$ 7,297,433	$ 58,191,404

Most of the Village's net position is invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. Restricted net position of the Village, which is only authorized to be spent for specific purposes as defined in the notes to the financial statements, was $9,079,127 at April 30, 2015. The remaining net position of the Village is considered unrestricted and to be used to meet the ongoing obligations of the Village. This unrestricted net position was a deficit of $(6,595,323) at April 30, 2015.

Of the $20,159,243 listed as Governmental Activities Long-Term Debt, $11,820,000 is debt issued pursuant to the Village's five tax incremental financing districts. This debt is scheduled to be fully retired by 2033 and is currently being funded by the incremental taxes generated by the districts. Tax increment financing tax revenues are expected to fully pay for the $11,820,000 in principal payments and no general fund or other resources are expected to pay for these obligations.

During the year, the Village issued $5,885,000 in General Obligation Refunding Bonds which partially advance refunded the $4,415,000 General TIF Obligation Bonds Series 2007A and $4,150,000 General TIF Obligation Bond Series 2007C. The refunding resulted in a refunding loss approximating $277,000, had no effect on the life of the bonds, and decreased the Village's future debt services by approximately $642,000.

The following tables are the condensed Statement of Activities for the Village of South Holland for the fiscal years ended April 30, 2015 and 2014, respectively.

For the Year Ended April 30, 2015

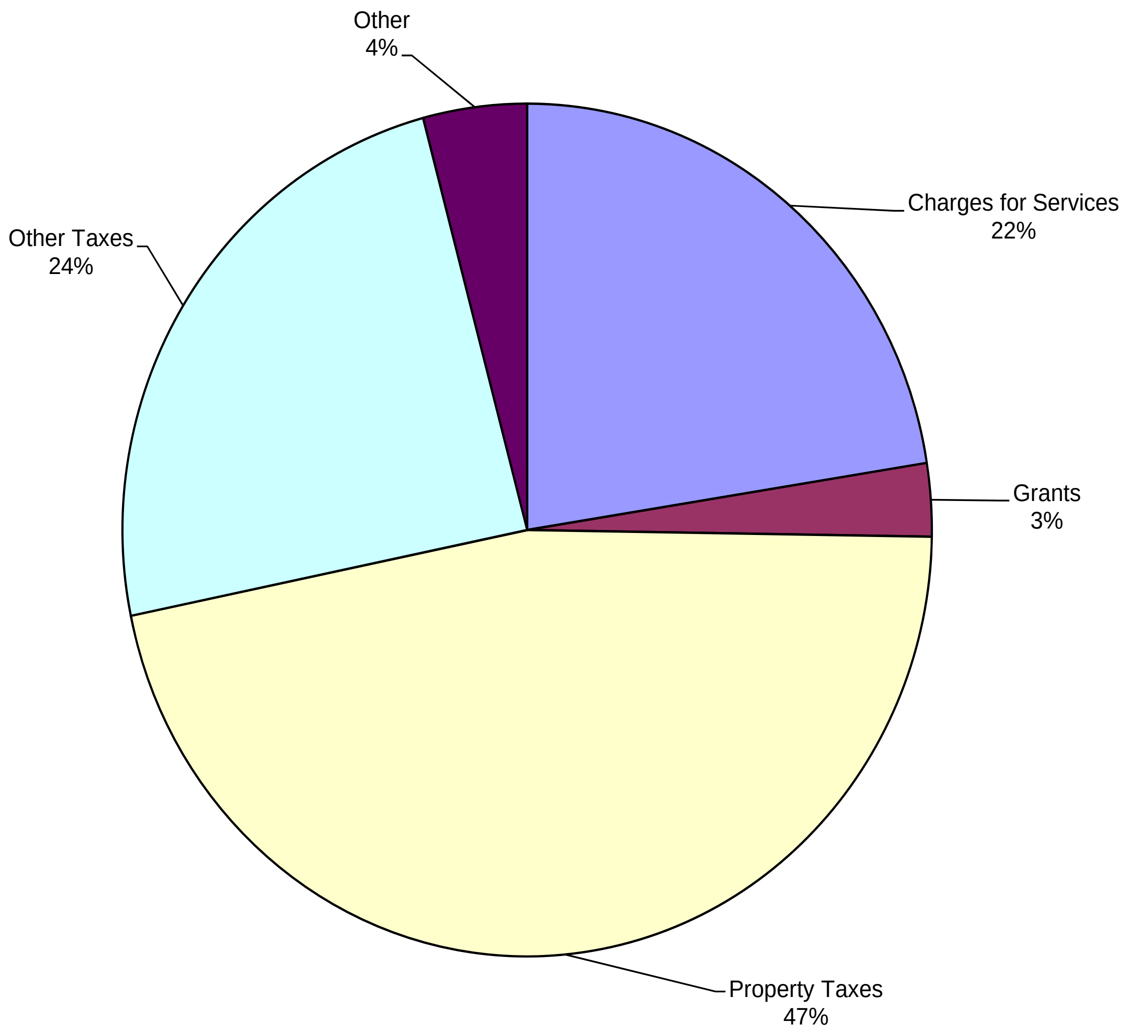
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	$ 6,954,497	$ 4,978,308	$ 11,932,805
Operating grants and contributions	856,371	-	856,371
Capital contributions	-	-	-
General revenues:			
Property taxes	14,390,894	-	14,390,894
Intergovernmental	7,450,495	-	7,450,495
Investment income	11,598	-	11,598
Other	1,268,985	-	1,268,985
Total revenues	30,932,840	4,978,308	35,911,148
Expenses:			
General government	11,352,322	-	11,352,322
Public safety:			
Fire department	3,843,176	-	3,843,176
Police department	8,382,168	-	8,382,168
Building department	865,923	-	865,923
Civil defense	38,419	-	38,419
Public works	1,893,656	-	1,893,656
Garbage department	2,284,467	-	2,284,467
Interest expense	807,834	-	807,834
Amortization	54,761	-	54,761
Water	-	5,690,448	5,690,448
Total expenses	29,522,726	5,690,448	35,213,174
Increase (decrease) in net position	1,410,114	(712,140)	697,974
Net position May 1, 2014	50,893,971	7,297,433	58,191,404
Net position April 30, 2015	$ 52,304,085	$ 6,585,293	$ 58,889,378

For the Year Ended April 30, 2014

	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	$ 7,055,235	$ 4,680,102	$ 11,735,337
Operating grants and contributions	769,650	9,666	779,316
Capital contributions	70,000	-	70,000
General revenues:			
Property taxes	14,096,786	-	14,096,786
Intergovernmental	7,104,762	-	7,104,762
Investment income	3,891	32	3,923
Other	1,259,383	-	1,259,383
Total revenues	30,359,707	4,689,800	35,049,507
Expenses:			
General government	11,488,843	-	11,488,843
Public safety:			
Fire department	3,902,838	-	3,902,838
Police department	7,095,479	-	7,095,479
Building department	785,311	-	785,311
Civil defense	37,453	-	37,453
Public works	1,952,129	-	1,952,129
Garbage department	2,106,127	-	2,106,127
Interest expense	665,788	-	665,788
Amortization	53,094	-	53,094
Water	-	5,157,409	5,157,409
Total expenses	28,087,062	5,157,409	33,244,471
Increase (decrease) in net position	2,272,645	(467,609)	1,805,036
Net position May 1, 2013	48,621,326	7,765,042	56,386,368
Net position April 30, 2014	$ 50,893,971	$ 7,297,433	$ 58,191,404

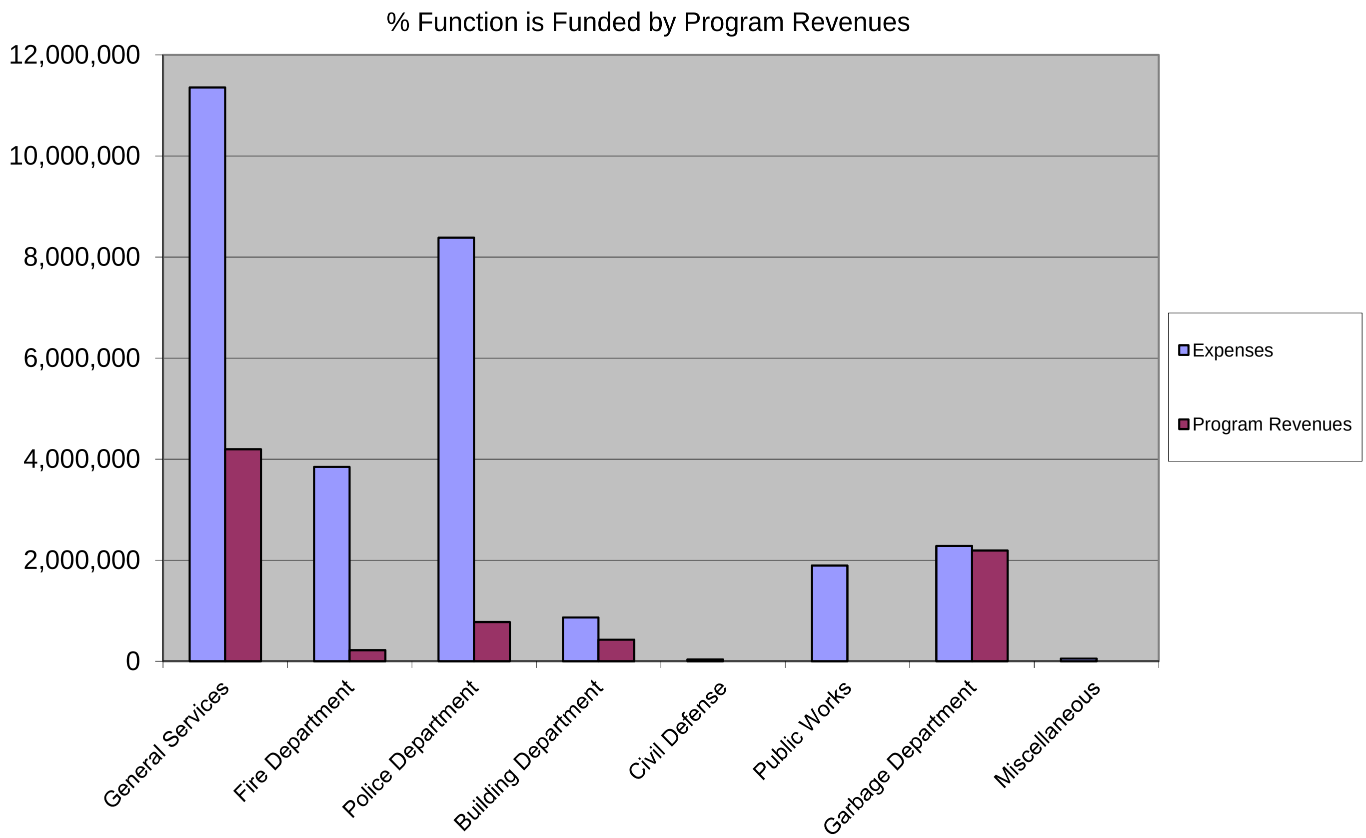
The following chart summarizes how the Village's governmental activities are funded.

Revenues by Source - Governmental Activities



Approximately 71% of governmental activities are funded primarily by property tax and sales and other taxes. The Village has home rule authority to raise property taxes without the effects of property tax caps. The Village undertakes a rigorous budget process to minimize the necessity for unusual tax increases. The Village has continued to improve the level of services provided to residents by continuing to adhere to its prescribed fiscal controls. Each year this becomes more challenging.

The following chart reflects the Village's governmental activities expenses by function, along with the percentage that each function is funded by program revenues. General revenues, including property and other taxes and investment income, are used to fund the Village's functions as program revenues alone are not sufficient.



Business-type activities are to be funded through charges for related services. This year, water operations resulted in revenues of $668,452 less than its expenses, while the fiscal year 2014 water operations resulted in revenues of $431,540 less than its expenses.

Financial Analysis of the Village's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of $10,639,722, while governmental fund balances were $11,842,052 at the end of fiscal year 2014.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water fund were $(169,879) at April 30, 2015 and $339,624 at April 30, 2014.

General Fund Budgetary Highlights

No amendments were made to the original budget. The general fund balance decreased by $181,273 in fiscal year 2015 and decreased by $795,409 in fiscal year 2014.

During 2015, actual general fund revenues were greater than budgeted revenues by $96,885. The Village saw an increase in state income taxes, personal property replacement taxes, motel tax, vehicle licenses, building permits, ambulance fees, court fines, local debt recoveries, interest income, reimbursed expenses, other and miscellaneous revenues.

Actual general fund expenditures were less than budgeted expenditures by $124,785. The Village has a rigorous budget and oversight structure which resulted in holding expenditures to budgeted numbers.

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2015 and 2014 amounts to $79,736,455 and $78,279,469, net of accumulated depreciation, respectively. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. Prior to fiscal year 2004, the Village's infrastructure (roads, bridges, storm sewers, water mains) had not been reported or depreciated in governmental financial statements. These assets have now been valued and reported in the government-wide financial statements. The Village has elected to depreciate these assets over their estimated useful lives.

At the end of the current year, the Village had total general obligation bond debt of $5,635,000, tax incremental financing bond debt of $11,820,000 and general obligation capital appreciation bonds of $2,704,243. General obligation bonds within governmental activities decreased by $1,780,000 relating to principal repayments, offset by an increase for additional accreted interest on the capital appreciation bonds of $103,361. Total business-type debt decreased by a net total of $170,942 as principal payments were made on the IEPA loan during the year.

Economic Factors and Next Year's Budget

The Village continues to actively pursue economic development opportunities and has a Director of Economic Development to promote development in the Village. The Village has seen some renewed interest in redevelopment of its tax increment financing districts after the last few years of economic downturn.

Ed Miniat, Inc., another existing South Holland business, continued construction on a 62,000 square-foot addition to its current meat processing facility. The expansion is expected to cost over 31 million dollars and generate 125 new jobs over 3 years. This addition is projected to be completed by late 2015.

Construction is also anticipated to begin in fall 2015 on a 6,000 square-foot building for Anytime Fitness. This project is estimated to cost $1,400,000 and to be completed by spring 2016.

Meekhof Tires purchased the old vacant Bauer Buick car dealership during the current fiscal year. They have invested approximately $950,000 during calendar year 2015 in updates to this building and added 25 new full-time employees. This building is one of the original 5 car dealerships located in South Holland that closed as a result of the economic recession following the housing market crisis. Only 1 remaining dealership remains to be redeveloped.

Eagle Express purchased the 25,000 square-foot building formerly owned by Lippert, Inc. during the current fiscal year. They have invested approximately $350,000 in remodeling this facility for their truck repair operations and additional storage. This addition expands their existing operations within South Holland and has allowed them to relocate 40 employees from another facility to South Holland.

The Village completed Phase I of a redevelopment of Veteran's Park in coordination with the Town Center development. New playground equipment, redesigned ball fields providing better drainage, a new concession and reviewing stand, new washrooms, a new maintenance building, and a new gazebo and Memorial Gardens and foundation are some of the features that were constructed. An additional large gazebo was added during 2015. Further development of Veteran's Park may include a new outdoor music amphitheater, although no current plans have been made to begin this project.

The Village of South Holland's aggressive approach to economic redevelopment continues with the rezoning of the area east of I-94 Interstate, establishing it into the Interstate Zoning District (IZD) on May 7, 2007. The rezoning is accompanied by a Master Plan and Site Design Guidelines to help bring about the hotel/conference center, big box retail, restaurants, corporate business park, etc. that are envisioned. The Village has already seen redevelopment of this area with Stevenson Crane Services and DOH Services remodeling and occupying formerly vacant buildings.

The redevelopment of the 175 acre IZD has taken a huge leap forward with the creation of Gateway East TIF on November 19, 2007. With the full 23-year TIF life, the Village can incentivize developers to make investments in this pro-business community. Prior to creating Gateway East TIF, the Village terminated the smaller Center East TIF to make way for the Gateway East TIF. This termination has added over $1,500,000 EAV of incremental value back to the general tax base. During the current year, the Gateway East TIF was restructured into 3 separate adjoining TIF districts. The 2 additional TIF districts are named IZD Zone A TIF and I-94 South TIF. The restructuring will assist in attracting future developments to this area of the Village. The anticipated Love's Travel Center project began during 2015. The Travel Center will include a convenience store and restaurant. This 10,000 square-foot center is estimated to cost over 10 million dollars and add 60 new full-time jobs. It is estimated to be completed in 2016.

The Village has been working diligently since 2003 to redevelop South Holland's old downtown area. South Holland's new Town Center will include signature shopping, beautiful landscaping, attractively designed office/retail buildings, sufficient parking, as well as a variety of services to an area that will support the proposed Metra Railroad station. The Village immediately began to acquire homes located within the footprint of the new Town Center, which is a tax incremental financing district and will continue to acquire parcels as they become available. The Village issued $4,415,000, 20-year general obligation bonds to fund the additional acquisitions in 2011. The Village completed the construction to extend Wausau Avenue north from Route 6 in 2010. Town Center projects that have been completed include a new Walgreen's on the northwest corner of Route 6 and South Park Avenue, Hamra Plaza, an 11,900 square-foot retail center including Panera Bread Restaurant, and Town Center Commons, a 6,000 square-foot retail center.

In addition, demolition of the old Walgreen's building and Radio Shack at the southwest corner of Route 6 and South Park Avenue has been completed. A new Burger King restaurant with playground and drive-up facilities was completed in 2015 at an estimated cost of $1.9 million dollars.

On March 7, 2011, Governor Pat Quinn signed into law House Bill 1644, which establishes the Southeast Commuter Rail Transit District. The new district gives local officials the tools they need to help build the Southeast Service Line, a proposed METRA line that will link 33 miles between Crete's Balmoral Park and downtown Chicago's LaSalle Street Station, with additional stops in Crete, Steger, South Chicago Heights, Chicago Heights, Glenwood, Thornton, South Holland, Dolton, and at 115th Street/Gresham and 35th Street stations on Chicago's South Side. The project will cost an estimated $800 million and will open up service to one of the last regions in the metropolitan area without access to METRA.

The new line will provide greater access to jobs, and enable towns and neighborhoods along the route to pursue transit-oriented developments. The project was authorized in the 2005 federal transportation bill and METRA, Northeastern Illinois' commuter rail agency, completed the first phase Alternatives Analysis in 2010 that projected an average of 18,700 riders per weekday with annual operating costs estimated at $28.8 million.

Since then, the Southeast Commuter Rail Transit District has named an Executive Director, and established a Board consisting of representatives from the communities along the proposed line, as well as representatives from other communities in the region.

The Federal Transit Administration ("FTA") has a 3 step planning and approval process that includes an Alternative Analysis, Preliminary Engineering and Final Design. The Southeast Commuter Rail Transit District Board received funding from Illinois Department of Transportation ("IDOT"), Illinois Department of Commerce and Economic Opportunity ("DCEO"), and United States Department of Transportation ("USDOT") and approved a $650,000 budget that will prepare the proposed rail line project for the engineering phase of FTA's planning and approval process.

Requests for Information

This financial report is designed to provide a general overview of the Village of South Holland's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the South Holland Village Treasurer, Beth Herman, 16226 Wausau Avenue, South Holland, Illinois 60473.

Government-Wide Financial Statements

Village of South Holland, Illinois

Statement of Net Position
April 30, 2015

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Public Library
Assets				
Current				
Cash and cash equivalents	$ 14,761,069	$ -	$ 14,761,069	$ 1,004,752
Other assets	345,832	25,202	371,034	33,824
Receivables:				
Property taxes	6,283,178	-	6,283,178	1,060,451
Other taxes	1,036,667	-	1,036,667	-
Intergovernmental	1,245,422	-	1,245,422	-
Customer accounts, net	433,138	967,932	1,401,070	-
Prepaids and deposits	50,129	-	50,129	-
Internal balances	637,135	(637,135)	-	-
Inventories	19,160	-	19,160	-
Total current assets	24,811,730	355,999	25,167,729	2,099,027
Noncurrent				
Pension asset	148,314	-	148,314	-
Capital assets, not being depreciated	35,273,124	-	35,273,124	-
Capital assets being depreciated, net of accumulated depreciation	34,344,560	10,118,771	44,463,331	2,078,535
Total noncurrent assets	69,765,998	10,118,771	79,884,769	2,078,535
Total assets	94,577,728	10,474,770	105,052,498	4,177,562
Deferred Outflows of Resources				
Deferred loss on refundings	837,551	-	837,551	-

See Notes to Financial Statements.

	Governmental Activities	Business-Type Activities	Total	Component Unit Public Library
Liabilities				
Current				
Accounts payable	$ 611,008	$ 447,799	$ 1,058,807	$ 67,386
Claims payable	367,693	-	367,693	-
Accrued payroll	793,113	34,947	828,060	45,989
Accrued interest	139,951	-	139,951	-
Compensated absences	613,779	43,132	656,911	53,406
General obligation bonds	450,000	-	450,000	-
Tax incremental financing bonds	675,000	-	675,000	-
Capital lease	24,071	-	24,071	-
IEPA loan	-	173,086	173,086	-
Total current liabilities	3,674,615	698,964	4,373,579	166,781
Noncurrent				
Claims payable	40,855	-	40,855	-
General obligation bonds, net	5,168,518	-	5,168,518	-
Tax incremental financing bonds, net	11,604,069	-	11,604,069	-
General obligation capital appreciation bonds	2,704,243	-	2,704,243	-
IEPA loan	-	3,190,513	3,190,513	-
Capital lease	43,721	-	43,721	-
IMRF pension obligation	174,607	-	174,607	57,607
Other postemployment benefits	7,344,224	-	7,344,224	-
Total noncurrent liabilities	27,080,237	3,190,513	30,270,750	57,607
Total liabilities	30,754,852	3,889,477	34,644,329	224,388
Deferred Inflows of Resources				
Deferred property taxes	12,356,341	-	12,356,341	1,958,319
Net Position				
Net investment in capital assets	49,650,403	6,755,172	56,405,575	2,078,535
Restricted for:				
MFT projects	1,544,005	-	1,544,005	-
Sewer costs	65,850	-	65,850	-
Debt service	19,321	-	19,321	-
Capital projects	7,449,951	-	7,449,951	-
Unrestricted (deficit)	(6,425,445)	(169,879)	(6,595,324)	(83,680)
Total net position	$ 52,304,085	$ 6,585,293	$ 58,889,378	$ 1,994,855

Village of South Holland, Illinois

Statement of Activities
Year Ended April 30, 2015

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions
Primary government:				
Governmental activities				
General government	$ 11,352,322	$ 3,338,350	$ 856,371	$ -
Public safety:				
Fire department	3,843,176	220,302	-	-
Police department	8,382,168	774,935	-	-
Building department	865,923	427,891	-	-
Civil defense	38,419	-	-	-
Public works	1,893,656	-	-	-
Garbage department	2,284,467	2,193,019	-	-
Interest expense	807,834	-	-	-
Amortization	54,761	-	-	-
Total governmental activities	29,522,726	6,954,497	856,371	-
Business-type activities				
Water	5,690,448	4,978,308	-	-
Total business-type activities	5,690,448	4,978,308	-	-
Total primary government	$ 35,213,174	$ 11,932,805	$ 856,371	$ -
Component unit:				
Library	$ 1,940,891	$ 57,791	$ 59,618	$ -

General revenues
Property taxes
Intergovernmental
Investment income
Miscellaneous
Total general revenues

Change in net position

Net position:
May 1, 2014

April 30, 2015

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Public Library
$ (7,157,601)	$ -	$ (7,157,601)	$ -
(3,622,874)	-	(3,622,874)	-
(7,607,233)	-	(7,607,233)	-
(438,032)	-	(438,032)	-
(38,419)	-	(38,419)	-
(1,893,656)	-	(1,893,656)	-
(91,448)	-	(91,448)	-
(807,834)	-	(807,834)	-
(54,761)	-	(54,761)	-
(21,711,858)	-	(21,711,858)	-
-	(712,140)	(712,140)	-
-	(712,140)	(712,140)	-
(21,711,858)	(712,140)	(22,423,998)	-
-	-	-	(1,823,482)
14,390,894	-	14,390,894	1,777,442
7,450,495	-	7,450,495	20,593
11,598	-	11,598	124
1,268,985	-	1,268,985	3,951
23,121,972	-	23,121,972	1,802,110
1,410,114	(712,140)	697,974	(21,372)
50,893,971	7,297,433	58,191,404	2,016,227
$ 52,304,085	$ 6,585,293	$ 58,889,378	$ 1,994,855

Fund Financial Statements

Village of South Holland, Illinois

Balance Sheet - Governmental Funds
April 30, 2015

	General Fund	Downtown TIF Fund	South Suburban Community College TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 4,793,284	$ 4,734,800	$ -	$ 5,232,985	$ 14,761,069
Other assets	296,332	-	-	49,500	345,832
Receivables:					
Property taxes	4,830,998	-	-	1,452,180	6,283,178
Other taxes	1,036,667	-	-	-	1,036,667
Intergovernmental	1,194,185	-	-	51,237	1,245,422
Accounts, net	374,095	-	-	59,043	433,138
Prepaids and deposits	50,129	-	-	-	50,129
Inventories	19,160	-	-	-	19,160
Due from other funds	1,095,842	9,577	-	741,592	1,847,011
Total assets	$ 13,690,692	$ 4,744,377	$ -	$ 7,586,537	$ 26,021,606
Liabilities					
Accounts payable	$ 524,137	$ 1,201	$ -	$ 85,670	$ 611,008
Accrued payroll	725,799	-	-	67,314	793,113
Due to other funds	-	-	458,708	751,168	1,209,876
Total liabilities	1,249,936	1,201	458,708	904,152	2,613,997
Deferred Inflows of Resources					
Deferred property taxes	7,956,459	57,462	1,263,156	3,079,264	12,356,341
Deferred intergovernmental revenue	411,546	-	-	-	411,546
Total deferred inflows of resources	8,368,005	57,462	1,263,156	3,079,264	12,767,887
Fund Balances					
Nonspendable for prepaids, deposits and inventories	69,289	-	-	-	69,289
Restricted	-	4,685,714	-	4,393,413	9,079,127
Unassigned (deficit)	4,003,462	-	(1,721,864)	(790,292)	1,491,306
Total fund balances	4,072,751	4,685,714	(1,721,864)	3,603,121	10,639,722
Total liabilities, deferred inflows of resources, and fund balances	$ 13,690,692	$ 4,744,377	$ -	$ 7,586,537	$ 26,021,606

Village of South Holland, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2015

Total fund balances-governmental funds	$ 10,639,722
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	69,617,684
State intergovernmental revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the Statement of Activities.	411,546
Premiums related to refundings of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	(494,701)
Discounts related to refundings of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	52,114
Deferred losses on debt refundings are not considered to represent a financial resource and, therefore, are not reported in the funds.	837,551
The net pension asset resulting from contributions in excess of the annual required contribution are not financial resources, and therefore, are not reported in the funds.	148,314
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Claims payable	(408,548)
General obligation bonds	(5,635,000)
Tax incremental financing bonds	(11,820,000)
Capital appreciation bonds	(2,704,243)
Accrued interest	(139,951)
Compensated absences	(613,779)
IMRF pension obligation	(174,607)
Capital lease	(67,792)
Other postemployment benefits	(7,344,224)
Net position of governmental activities	$ 52,304,086

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended April 30, 2015

	General Fund	Downtown TIF Fund	South Suburban Community College TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 7,867,723	$ 129,930	$ 2,784,707	$ 3,608,534	$ 14,390,894
Intergovernmental	7,371,920	-	-	636,069	8,007,989
Licenses and permits	2,187,118	-	-	-	2,187,118
Fines and forfeitures	1,205,152	-	-	-	1,205,152
Charges for services	2,193,019	-	-	1,369,208	3,562,227
Grants	220,302	-	-	-	220,302
Investment income	11,224	3	83	288	11,598
Rental income	-	143,531	-	-	143,531
Miscellaneous	998,927	-	-	126,527	1,125,454
Total revenues	22,055,385	273,464	2,784,790	5,740,626	30,854,265
Expenditures:					
Current:					
General government	5,378,787	4,515	-	3,203,759	8,587,061
Public safety:					
Fire department	3,363,996	-	-	-	3,363,996
Police department	7,819,469	-	-	-	7,819,469
Building department	824,311	-	-	-	824,311
Civil defense	27,172	-	-	-	27,172
Public works	1,752,984	-	-	-	1,752,984
Garbage department	2,049,972	-	-	-	2,049,972
Capital outlay	619,967	1,407,884	2,178,954	980,457	5,187,262
Debt service:					
Principal	-	-	-	1,682,142	1,682,142
Interest and fees	-	-	-	739,550	739,550
Total expenditures	21,836,658	1,412,399	2,178,954	6,605,908	32,033,919
Excess (deficiency) of revenues over (under) expenditures	218,727	(1,138,935)	605,836	(865,282)	(1,179,654)
Other financing sources (uses):					
Issuance of bonds	-	-	-	5,885,000	5,885,000
Bond premium	-	-	-	498,477	498,477
Payment to escrow egent	-	-	-	(6,387,091)	(6,387,091)
Bond discount	-	-	-	(19,062)	(19,062)
Transfers in	-	2,000,000	-	1,597,226	3,597,226
Transfers (out)	(400,000)	-	(2,600,000)	(597,226)	(3,597,226)
Total other financing sources (uses)	(400,000)	2,000,000	(2,600,000)	977,324	(22,676)
Net change in fund balances	(181,273)	861,065	(1,994,164)	112,042	(1,202,330)
Fund balances:					
May 1, 2014	4,254,024	3,824,649	272,300	3,491,079	11,842,052
April 30, 2015	$ 4,072,751	$ 4,685,714	$ (1,721,864)	$ 3,603,121	$ 10,639,722

See Notes to Financial Statements.

Village of South Holland, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2015

Net change in fund balances-total governmental funds	$ (1,202,330)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciations in the current period.	
Capital outlay	3,358,800
Depreciation	(1,528,235)
State revenues that are deferred in the fund financial statements because they are not available but are recognized in the Statement of Activities.	78,575
The following are expenditures in the governmental funds, but the repayment of debt reduces long-term liabilities in the Statement of Net Position:	
General obligation bonds	1,040,000
Tax incremental financing bonds	620,000
Capital lease	22,142
Accretion of interest on capital appreciation bonds	(103,361)
In the fund financial statements, the issuance and defeasance of long-term debt is considered other financing sources, but in the Statement of Net Position, debt is reported as a liability:	
Issuance of bonds	(5,885,000)
Principal defeased	6,110,000
Losses on refunding of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the Statement of Net Position.	
Current year loss on refunding	277,091
Amortization of all losses on refunding	(55,255)
Premiums and discounts on the issuance of bonds are recorded as other financing sources/uses in the fund financial statements, but recorded as contra-liabilities in the Statement of Net Position and amortized over the life of the bonds.	
Premium on bonds issued	(498,477)
Amortization of premium	3,776
Discount on bonds issued	19,062
Amortization of discount	(3,282)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Change in claims payable	(139,512)
Change in accrued interest	35,077
Change in pension asset	(163,387)
Change in IMRF pension obligation	7,879
Change in compensated absences	(56,177)
Change in other postemployment benefits	(527,272)
Change in net position of governmental activities	$ 1,410,114

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Net Position
Enterprise Fund
April 30, 2015

		Water Fund
Assets		
Current Assets		
Other assets	$	25,202
Receivables:		
Customer accounts, net		967,932
Total current assets		993,134
Noncurrent Assets		
Buildings		2,603,574
Equipment		3,773,621
Waterworks and sewerage system		12,654,936
		19,032,131
Less accumulated depreciation		8,913,360
Total noncurrent assets		10,118,771
Total assets	$	11,111,905
Liabilities		
Current Liabilities		
Accounts payable	$	447,799
Accrued liabilities		34,947
Compensated absences		43,132
Due to other funds		637,135
IEPA loan		173,086
Total current liabilities		1,336,099
Noncurrent Liabilities		
IEPA loan		3,190,513
Total noncurrent liabilities		3,190,513
Total liabilities		4,526,612
Net Position		
Net investment in capital assets		6,755,172
Unrestricted		(169,879)
Total net position	$	6,585,293

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Revenues, Expenses and Changes in Net Position Enterprise Fund Year Ended April 30, 2015

	Water Fund
Operating revenues:	
Water sales	$ 4,563,375
Miscellaneous	414,933
Total operating revenues	4,978,308
Operating expenses:	
Personnel	1,013,717
Contractual	4,001,357
Commodities	258,106
Depreciation	373,580
Total operating expenses	5,646,760
Operating loss	(668,452)
Nonoperating income (expense),	
Interest expense	(43,688)
Change in net position	(712,140)
Net position:	
May 1, 2014	7,297,433
April 30, 2015	$ 6,585,293

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Cash Flows - Enterprise Fund
Year Ended April 30, 2015

	Water Fund
Cash Flows from Operating Activities	
Cash received from residents for services	$ 4,742,840
Payments to employees	(1,033,103)
Payments to suppliers	(3,946,807)
Net cash used in operating activities	(237,070)
Cash Flows from Non-Capital Financing Activities	
Due to other funds	451,700
Cash Flows from Capital Financing Activities	
Principal payments on debt	(170,942)
Interest paid	(43,688)
Net cash used in capital financing activities	(214,630)
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
May 1, 2014	-
April 30, 2015	$ -
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (668,452)
Adjustments to reconcile operating loss to net cash used in by operating activities:	
Depreciation	373,580
Changes in assets and liabilities:	
Other assets	(25,202)
Accounts receivable	49,399
Accounts payable	27,789
Accrued liabilities	1,287
Compensated absences	4,529
Total adjustments	431,382
Net cash used in operating activities	$ (237,070)

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2015

	Pension Trust Funds	Agency Fund	Total
Assets			
Cash and cash equivalents	$ 834,600	$ 27,503	$ 862,103
Investments, at fair value:			
Municipal bonds	1,537,301	-	1,537,301
Corporate bonds	5,636,617	-	5,636,617
U.S. Government and agency obligations	5,962,165	-	5,962,165
Stock equities	12,528,692	-	12,528,692
Equity mutual funds	10,063,100	-	10,063,100
Other assets	172,167	-	172,167
Total assets	36,734,642	27,503	36,762,145
Liabilities			
Due to bondholders	-	83	83
Escrow deposits	-	27,420	27,420
Other	9,984	-	9,984
Total liabilities	9,984	27,503	37,487
Net position			
Held in trust for pension benefits	$ 36,724,658	$ -	$ 36,724,658

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2015

Additions		
Contributions:		
Employer	$	1,415,887
Plan members		515,815
Total contributions		1,931,702
Investment income:		
Net appreciation in fair value of investments		1,701,356
Interest and dividends		1,217,713
Total investment income		2,919,069
Less: Investment expense		108,857
Net investment income		2,810,212
Total additions		4,741,914
Deductions		
Benefits and refunds		2,114,663
Administrative expenses		70,554
Total deductions		2,185,217
Net increase		2,556,697
Net position held in trust for pension benefits:		
May 1, 2014		34,167,961
April 30, 2015	$	36,724,658

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The Village of South Holland provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the funds and account groups of the Village of South Holland, the primary government, and South Holland Public Library, its component unit, which is included in the Village's reporting entity because of its operational and financial relationship with the Village.

The South Holland Public Library provides library services to the residents of the Village of South Holland, but is governed by a board which is separately elected by the public. Financial data of the Library has been discretely presented in the component unit column in the general purpose financial statements to emphasize that it is legally separate from the Village. Separate financial statements of the Library are not prepared.

The accounting policies of the Village of South Holland conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

The Village of South Holland Public Library is responsible for providing services to the Village's residents. The members of the governing board of the South Holland Public Library are elected by the voters of the Village; however, the Library is fiscally dependent on the Village as the tax levy established by the Library and bonded debt must be approved by the Village. In addition to the criteria above, if a financial benefit and burden relationship exists, a component unit should be included in the primary government's financial statements. Based on the applicable criteria, the Library is a discretely presented component unit within these financial statements.

Government-wide and Fund Financial Statements

Government-Wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

Note 1. Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

Downtown TIF Fund - This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the Downtown TIF District.

South Suburban Community College TIF – This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the South Suburban Community College TIF District.

The Village administers the following major proprietary fund:

Water Fund - accounts for the provision of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Note 1. Summary of Significant Accounting Policies (Continued)

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and an agency fund that is used to account for assets held by the Village for others in an agency capacity.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, subject to judgment and consistency so as not to artificially distort normal revenue patterns, except for property taxes which are further explained in Note 3.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which should be recognized when due. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Assets, liabilities, and net position or fund balance

1. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

2. Investments

Investments are reported at fair value. Fair value is based on quoted market prices for similar or same investments.

Note 1. Summary of Significant Accounting Policies (Continued)

3. Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net position.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

4. Inventories

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

6. Deferred Outflows of Resources

Deferred outflows of resources arise when the consumption of net position in one period is applicable to future periods. The Village reflects its deferred losses on bond refunding as deferred outflows of resources.

7. Capital and Intangible Assets

Capital assets which include land, streets, buildings, storm sewers, sanitary sewers, water mains, vehicles and intangible assets, which include easements and similar items, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $30,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized.

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Note 1. Summary of Significant Accounting Policies (Continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Land improvements	15 – 30 years
Buildings	40 – 50 years
Machinery and equipment	10 – 20 years
Streets	20 years
Sidewalks	20 years
Storm	25 years
Streetlights	10 years
Distribution system	40 years

8. Deferred Inflows of Resources and Unearned Revenue

The Village reports both deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as a receivable before the period for which they are levied. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to occurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the deferred inflows of resources or unearned revenue are removed from the financial statements and revenue is recognized.

9. Compensated Absences

Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. All accrued vacation pay is recognized as an expense and as a liability of the enterprise funds at the time the liability is incurred. Governmental fund types record accumulated vacation pay as an expenditure in the current year to the extent it is paid or is expected to be paid with available financial resources; otherwise it is accounted for as a short-term liability in the Statement of Net Position.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized on a straight-line basis over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

Note 1. Summary of Significant Accounting Policies (Continued)

11. Fund Balances

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. At April 30, 2015, the Village has no committed fund balances.

Assigned – Includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not authorized any other body or official to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At April 30, 2015, the Village has no assigned balances.

Unassigned – includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the Village's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

For all other governmental funds, it is the Village's policy to consider unrestricted resources (i.e. committed, assigned) to have been spent first, followed by restricted resources.

At April 30, 2015, the Village's fund balance restrictions were for the following purposes:

Restricted purpose:	
MFT projects	$ 1,544,005
Sewer expenditures	65,850
Debt service	19,321
Capital projects:	
Downtown TIF District	4,685,714
Other TIF Districts and capital projects	2,764,237
Total Restricted	$ 9,079,127

Note 1. Summary of Significant Accounting Policies (Continued)

12. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Note 2. Cash and Investments

Deposits: The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund’s share price, which is the price the investment could be sold for.

Custodial credit risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2015, the carrying amount of the Village's deposits with financial institutions, excluding cash on hand of $550, totaled $2,481,780. As of April 30, 2015, the carrying amount of the Library's deposits, excluding cash on hand of $100, was $1,004,652. Total bank balances relating to the Village’s and Library’s deposits with financial institutions totaled $3,994,629. These bank balances are fully insured and collateralized.

Investments: As of April 30, 2015, the Village had the following investments (in debt securities) and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Corporate bonds	$ 5,636,617	$ 283,903	$ 2,683,573	$ 2,669,141	-
Municipal bonds	1,537,301	68,766	1,468,535	-	-
U.S. Government Agencies	5,456,750	-	4,047,498	1,409,252	$ -
U.S. Treasuries	505,415	383,805	121,610	-	-
	$ 13,136,083	$ 736,474	$ 8,321,216	$ 4,078,393	$ -

Note 2. Cash and Investments (Continued)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific maturity. However, the Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments in stock equities, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these types to the top rating issued by NRSROs. As of April 30, 2015, the Village's investments in U.S. Government Agencies and Treasuries were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The municipal bonds were not rated. Corporate bond ratings ranged from BBB+ to AAA by Standard & Poor's and Baa3 to AAA by Moody's Investors Service.

Concentration of Credit Risk. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification required is as follows:

a. Up to a 100% investment in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;
b. Up to a 90% investment in interest-bearing saving accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, or certificates of deposits with federally insured institutions that are collateralized or insured at levels acceptable to the Village in excess of the $250,000 provided by the Federal Deposit Insurance Corporation coverage limit; and
c. Up to a 33% investment in collateralized repurchase agreements, commercial paper, the Illinois Funds or the Illinois Municipal League Liquid Asset Fund.

More than 5% of the Village's investments are in the following U.S. Government Agency: Federal Home Loan Banks. This investment is 6.24% of the Village's total investments.

Custodial Credit Risk – For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Village's investment policy states that all security transactions, including collateral for any repurchase agreements, entered into by the Village shall be conducted on a delivery versus payment basis, which requires the delivery of securities with an exchange of money for those securities. The policy also states that securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts and reports. The U.S. Treasuries, U.S. Government agencies, municipal bonds, and corporate bonds are held by the Village's agent in the Village's name. The Illinois Funds, stock equities and equity mutual funds are not subject to custodial credit risk.

As of April 30, 2015, the Village's fair values of investments that are not included in the totals above are stock equities, equity mutual funds and Illinois Funds of $12,528,692, $10,063,100, and $13,140,842, respectively.

Note 2. Cash and Investments (Continued)

The cash and investments totaling $52,355,799 are reported in the financial statements as follows:

	Governmental Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	$ 14,761,069	$ 862,103	$ 1,004,752	$ 16,627,924
Investments	-	35,727,875	-	35,727,875
Total	$ 14,761,069	$ 36,589,978	$ 1,004,752	$ 52,355,799

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village. Property taxes are recognized as a receivable at the time they are levied. In the governmental activities of the GWFS and the governmental funds of the FFS, since the 2013 tax levy is intended to finance the expenditures for the year ended April 30, 2015, revenue from the entire 2014 tax levy has been deferred for recognition to the year ended April 30, 2016. Property taxes in the pension trust funds are recognized as revenue based on the year they are budgeted to fund; therefore, the 2013 tax levy was recognized as revenue for the year ended April 30, 2015. The 2013 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2015. A 1% reduction of the tax levy amount for collection losses has been made to reduce the property taxes receivable to the estimated amount to be collected.

Note 4. Capital Assets

Governmental Activities

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance, May 1, 2014	Additions	Retirements	Balance, April 30, 2015
Governmental activities:				
Capital assets not being depreciated				
Land and rights of way	$ 31,540,121	$ 1,580,000	$ -	$ 33,120,121
Construction in progress	631,414	1,521,589	-	2,153,003
	32,171,535	3,101,589	-	35,273,124
Capital assets being depreciated:				
Infrastructure	49,154,847	-	-	49,154,847
Land improvements	4,009,111	-	-	4,009,111
Municipal buildings and grounds	15,066,048	45,830	-	15,111,878
Equipment	5,108,622	211,381	32,909	5,287,094
	73,338,628	257,211	32,909	73,562,930
Less accumulated depreciation for:				
Infrastructure	27,621,005	678,320	-	28,299,325
Land improvements	1,481,680	183,108	-	1,664,788
Municipal buildings and grounds	5,125,495	293,620	-	5,419,115
Equipment	3,494,864	373,187	32,909	3,835,142
	37,723,044	1,528,235	32,909	39,218,370
Total capital assets being depreciated, net	35,615,584	(1,271,024)	-	34,344,560
Governmental activities capital assets, net	$ 67,787,119	$ 1,830,565	$ -	$ 69,617,684

Note 4. Capital Assets (Continued)

Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance, May 1, 2014	Additions	Retirements	Balance, April 30, 2015
Business-type activities:				
Capital assets being depreciated:				
Water system	$ 12,654,936	$ -	$ -	$ 12,654,936
Buildings	2,603,574	-	-	2,603,574
Operating equipment	3,773,621	-	-	3,773,621
	19,032,131	-	-	19,032,131
Less accumulated depreciation for:				
Waterworks system	5,741,433	213,241	-	5,954,674
Buildings	1,460,737	59,969	-	1,520,706
Operating equipment	1,337,610	100,370	-	1,437,980
	8,539,780	373,580	-	8,913,360
Total capital assets being depreciated, net	10,492,351	(373,580)	-	10,118,771
Business-type activities capital assets, net	$ 10,492,351	$ (373,580)	$ -	$ 10,118,771

Note 4. Capital Assets (Continued)

Component Unit

A summary of changes in capital assets for the component unit of the Village is as follows:

	Balance, May 1, 2014	Additions	Retirements	Balance, April 30, 2015
Component unit:				
Capital assets being depreciated:				
Library building	$ 6,273,780	$ -	$ -	$ 6,273,780
Infrastructure	350,164	-	-	350,164
Land improvements	49,868	-	-	49,868
Equipment	31,032	-	-	31,032
	6,704,844	-	-	6,704,844
Less accumulated depreciation for:				
Library building	4,432,368	125,476	-	4,557,844
Infrastructure	45,520	7,003	-	52,523
Land improvements	1,247	1,247	-	2,494
Equipment	11,379	2,069	-	13,448
	4,490,514	135,795	-	4,626,309
Capital assets being depreciated, net	$ 2,214,330	$ (135,795)	$ -	$ 2,078,535

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities	Component Unit
General government	$ 932,427	$ -	$ -
Public safety	334,710	-	-
Public works	261,098	-	-
Water	-	373,580	-
Library	-	-	135,795
	$ 1,528,235	$ 373,580	$ 135,795

Note 5. Long-Term Obligations

The following is a summary of long-term obligation transactions of the Village's governmental activities for the year ended April 30, 2015:

	May 1, 2014	Additions	Reductions	April 30, 2015	Due Within One Year
General obligation bonds	$ 6,675,000	$ -	$ 1,040,000	$ 5,635,000	$ 450,000
Discount on general obligation bonds	(18,039)	-	(1,557)	(16,482)	-
	6,656,961	-	1,038,443	5,618,518	450,000
General obligation TIF bonds	12,665,000	5,885,000	6,730,000	11,820,000	675,000
Premium on general obligation TIF bonds	-	498,477	3,776	494,701	-
Discount on general obligation TIF bonds	(18,295)	(19,062)	(1,725)	(35,632)	-
	12,646,705	6,364,415	6,732,051	12,279,069	1,125,000
Capital appreciation bonds	2,600,882	103,361	-	2,704,243	650,000
Capital lease	89,934	-	22,142	67,792	24,071
Compensated absences	557,602	613,779	557,602	613,779	613,779
Other postemployment benefits	6,816,953	982,505	455,234	7,344,224	-
	$ 29,279,103	$ 8,064,060	$ 8,783,330	$ 28,559,833	$ 2,838,779

Additions include $103,361 in accreted interest on capital appreciation bonds which are included in long-term liabilities.

The General Fund is typically used to liquidate compensated absences and other postemployment benefits.

The following is a summary of changes in long-term debt transactions of the Village's business-type activities for the year ended April 30, 2015:

	May 1, 2014	Additions	Reductions	April 30, 2015	Due Within One Year
IEPA Loan	$ 3,534,541	$ -	$ 170,942	$ 3,363,599	$ 173,086
Compensated absences	38,603	43,132	38,603	43,132	43,132
	$ 3,573,144	$ 43,132	$ 209,545	$ 3,406,731	$ 216,218

The following is a summary of changes in compensated absences of the Village's component unit for the year ended April 30, 2015:

	May 1, 2014	Additions	Reductions	April 30, 2015	Due Within One Year
Compensated absences	$ 47,549	$ 53,406	$ 47,549	$ 53,406	$ 53,406

Note 5. Long-Term Obligations (Continued)

Details of the Village's long-term obligations as of April 30, 2015, are as follows:

General Obligation Bonds:

A general obligation corporate purpose bond issue for the improvement of public streets and other Village public infrastructure dated June 15, 2005 provides for the serial retirement of the principal semiannually on December 15 and June 15, principal retired will be $395,000 in fiscal year 2016, and $410,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at rates between 3.70% and 4.25%. The remainder of the principal balance was partially refunded in advance through the general obligation series 2012 issuance.	$ 805,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2005 associated with the improvement of public streets and other Village infrastructure, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be $55,000 in fiscal year 2016, $55,000 in fiscal year 2017, $480,000 in fiscal year 2018, $490,000 in fiscal year 2019, $500,000 in fiscal year 2020, $515,000 in fiscal year 2021, $520,000 in fiscal year 2022, $535,000 in fiscal year 2023, $550,000 in fiscal year 2024, $555,000 in fiscal year 2025 and $575,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.	4,830,000
Total general obligation bonds	5,635,000

General Obligation TIF Bonds:

A general obligation corporate purpose bond issue for capital infrastructure improvements, associated with the Route 6 TIF, dated November 28, 2006 provides for the serial retirement of the principal annually on December 15. Principal retired will be $395,000 in fiscal year 2016 and $415,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at rates between 3.95% and 4.05%.	810,000
A general obligation corporate purpose bond issue for property acquisitions related to the Downtown TIF reconstruction dated March 27, 2007 provides for the serial retirement of the principal annually on December 15. Principal retired will be $85,000 in fiscal year 2016. Interest is payable on June 15 and December 15 at a rate of 5.05%. The remainder of the principle balance was partially refunded in advance through general obligation series 2015.	85,000

Note 5. Long-Term Obligations (Continued)

General Obligation TIF Bonds (Continued):

A general obligation corporate purpose bond issued for redevelopment costs associated with the Downtown Tax Incremental Financing District dated March 27, 2007 provides for the retirement of the principal on December 15 at a rate of $140,000 in fiscal year 2016. Interest is payable on June 15 and December 15 at a rate of 3.80%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.The remainder of the principle balance was partially refunded in advance through general obligation series 2015.	$	140,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2006 associated with Route 6/South Park Aventue Tax Incremental Financing District, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be $55,000 in fiscal year 2016, $55,000 in fiscal year 2017, $485,000 in fiscal year 2018, $500,000 in fiscal year 2019, $505,000 in fiscal year 2020, $515,000 in fiscal year 2021, $535,000 in fiscal year 2022, $545,000 in fiscal year 2023, $555,000 in fiscal year 2024, $570,000 in fiscal year 2025 and $580,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		4,900,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2007A associated with Downtown Tax Incremental Financing District, dated February 21, 2007 provides for serial retirement of the principal annually on December 15. Principal retired will be $140,000 in fiscal year 2017, $155,000 in fiscal year 2018, $175,000 in fiscal year 2019, $195,000 in fiscal year 2020, $210,000 in fiscal year 2021, $235,000 in fiscal year 2022, $255,000 in fiscal year 2023, $280,000 in fiscal year 2024, $310,000 in fiscal year 2025, $340,000 in fiscal year 2026, and $370,000 in fiscal year 2027. Interest is payable between rates of 1.5% and 3.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		2,665,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2007C associated with Downtown Tax Incremental Financing District, dated February 21, 2007 provides for serial retirement of the principal annually on December 15. Principal retired will be $140,000 in fiscal year 2017, $160,000 in fiscal year 2018, $185,000 in fiscal year 2019, $215,000 in fiscal year 2020, $245,000 in fiscal year 2021, $280,000 in fiscal year 2022, $310,000 in fiscal year 2023, $350,000 in fiscal year 2024, $395,000 in fiscal year 2025, $445,000 in fiscal year 2026, and $495,000 in fiscal year 2027. Interest is payable between rates of 4.0% and 5.0%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		3,220,000
Total general obligation TIF bonds		11,820,000

Note 5. Long-Term Obligations (Continued)

A general obligation capital appreciation bond issue for Veterans Park reconstruction dated March 27, 2007 provides for the serial retirement of the principal annually on December 15. Principal retired will be $466,174 in fiscal year 2016, $446,602 in fiscal year 2017, $427,427 in fiscal year 2018, $409,149 in fiscal year 2019, and $252,550 in fiscal year 2020. Interest is payable on June 15 and December 15 at rates between 3.85% and 4.04%. Included in the principal balance outstanding is $702,341 of accumulated accreted interest.	2,704,243
A capital lease purchase agreement entered into with Muncipal Asset Management, Inc. dated September 23, 2013 provides for the serial retirement of principal annually on September 23. Principal retired will be $24,071 in fiscal year 2016, $26,169 in fiscal year 2017, and $17,552 in fiscal year 2017. Interest is payable on September 23 at a rate 9.77%.	67,792
Total long-term debt obligations	$ 20,227,035

The future debt service requirements to amortize the total long-term debt obligations of the Village, excluding compensated absences and other postemployment benefits, including interest as of April 30, 2015, are as follows:

Fiscal Year	Principal	Interest	Total
2016	$ 1,615,245	$ 588,787	$ 2,204,032
2017	1,687,771	646,581	2,334,352
2018	1,724,979	621,808	2,346,787
2019	1,759,149	610,531	2,369,680
2020	1,667,550	507,130	2,174,680
2021-2025	8,265,000	1,158,505	9,423,505
2026-2027	2,805,000	132,905	2,937,905
	19,524,694	4,266,247	23,790,941
Accumulated accreted interest	702,341	(702,341)	-
	$ 20,227,035	$ 3,563,906	$ 23,790,941

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the total long-term debt obligations of the Village's business-type activities, excluding compensated absences, including interest as of April 30, 2015, are as follows:

Fiscal Year	Principal	Interest	Total
2016	$ 173,086	$ 41,506	$ 214,592
2017	175,256	39,335	214,591
2018	177,454	37,138	214,592
2019	179,679	34,913	214,592
2020	181,932	32,660	214,592
2021-2025	944,456	128,504	1,072,960
2026-2030	1,005,173	67,786	1,072,959
2031-2033	526,563	9,913	536,476
	$ 3,363,599	$ 391,755	$ 3,755,354

Economic Gain/Loss on Refunded Bonds

On April 6, 2015, the Village issued $5,885,000 in General Obligation Refunding Bonds Series 2015A and 2015B with an average interest 3.6% to partially advance refund the $4,415,000 General TIF Obligation Bonds Series 2007A with an average interest rate of 5.4% and $4,150,000 General TIF Obligation Bond Series 2007C with an average interest rate of 3.9%. The proceeds of $6,387,091 were paid to paying agent and placed in a trust until the bonds are called. The refunding resulted in a refunding loss approximating $277,000, had no effect on the life of the bonds, and decreased the Village's future debt service by approximately $642,000. In previous years, the Village defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2015, $6,110,000 of the bonds are outstanding, which are considered defeased.

Substantially all Village employees are covered under one of the following employee retirement plans:

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund ("IMRF"), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Note 6. Pension and Retirement Plan Commitments (Continued)

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rates for calendar years ended December 31, 2015 and 2014 were 25.31 percent and 24.99 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The following table shows the components of the Village's annual pension costs for the fiscal year ended April 30, 2015, the amount actually contributed to the plan, and changes in the Village's net pension obligation to the plan:

Annual required contribution	$ 1,232,559
Interest on net pension obligation	16,772
Adjustment to annual requirement contribution	(11,989)
Annual pension cost	1,237,342
Contributions made	1,232,559
Increase in pension obligation	4,783
Net pension obligation, beginning of year	227,431
Net pension obligation, end of year	$ 232,214

Of the net pension obligation above, $174,607 is reflected in the Village's government-wide financial statements, and the remaining $57,607 is reflected in the Library's financial statements.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Village Net Pension Obligation	Library Net Pension Obligation
12/31/2014	$ 1,232,327	100%	$ 174,607	$ 57,607
12/31/2013	1,204,746	95%	182,486	44,945
12/31/2012	1,188,074	94%	173,950	48,798

Note 6. Pension and Retirement Plan Commitments (Continued)

The required contributions for 2014 were determined as part of the December 31, 2012, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29-year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 62.58 percent funded. The actuarial accrued liability for benefits was $14,995,300 the actuarial value of assets was $9,383,636, resulting in an underfunded actuarial accrued liability ("UAAL") of $5,611,664. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was $4,850,256 and the ratio of UAAL to covered payroll was 116 percent.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:
The financial statements for the Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Due to the fact that the Police Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Plan Description

Plan administration:
Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees. There was a change in the makeup of the Board during fiscal year 2015.

Plan Membership:
At April 30, 2014, the Police Pension Plan membership consisted of:

Inactive plan members or their beneficiaries currently receiving their benefits	30
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	46
Total	77

Benefits provided:
The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:
Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2041. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was $1,089,522, or 31.03% of member payroll, to the Police Pension Fund.

Investments

Investment policy:
The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	0%	20%
Fixed Income	0%	75%
Equities	15%	75%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments (Continued)

Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Fixed Income:			
US Treasuries	4.30%	2.50%	1.75%
US Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
High-Yield Fixed Income	6.00%	2.50%	3.50%
Emerging Market Fixed Income	6.50%	2.50%	4.00%
Equities:			
International Equities	7.50%	2.50%	5.00%
US Large-Cap Equities	7.80%	2.50%	5.25%
US Mid-Cap Equities	7.50%	2.50%	5.00%
US Small-Cap Equities	7.80%	2.50%	5.25%
Alternatives:			
Real Estate	6.80%	2.50%	4.50%
Global Infrastructure	7.30%	2.50%	4.75%
Natural Resources	3.80%	2.50%	1.25%

Method used to value investments:
Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments
Information on significant investments is presented in Note 2 under “Concentration of Credit Risk.”

Rate of return:
For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	$ 34,971,807
Plan fiduciary net position	24,252,483
Village's net pension liability	$ 10,719,324
Plan fiduciary net position as a percentage of the total pension liability	69.35%

The total pension liability was determined by an actuarial valuation as of April 30, 2014, using the following methods and actuarial assumptions, applied to all periods included in the measurement and rolled forward to April 30, 2015:

Methods and Assumptions	
Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll Closed
Discount Rate used for the Total Pension Liability	7.25%
Long-Term Expected Rate of Return on Plan Assets	7.25%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Actuarial assumptions:	
Mortality Table	RP 2000 CHBCA
Retirement Rates	2012 Illinois Department of Insurance, 100% by age 70
Disability Rates	2012 Illinois Department of Insurance
Termination Rates	2012 Illinois Department of Insurance
Percent Married	80%

The actuarial assumptions used in the April 30, 2014 valuation were based on the results of an actuarial assumption study based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012. The study was performed by the Illinois Department of Insurance, which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:
The discount rate used to measure the total pension liability is 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments.

Note 6. Pension and Retirement Plan Commitments (Continued)

To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 91 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:
The following presents the net pension liability of the Village as of the valuation date of April 30, 2014, calculated using the discount rate of 7.25 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Village's net pension liability	$ 14,950,069	$ 10,673,564	$ 7,135,351

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information ("RSI") following the notes to the financial statements.

Police Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 11.

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation done in accordance with GASB Statement No. 27 was performed as of April 30, 2014. The Village's annual pension cost and net pension obligation were rolled forward to April 30, 2015 as follows:

Annual required contribution	$ 1,089,522
Interest on net pension obligation	(17,665)
Adjustment to annual requirement contribution	11,662
Annual pension cost	1,083,519
Contributions made	963,590
Decrease in pension (asset)	119,929
Net pension (asset) beginning of year	(218,242)
Net pension (asset) end of year	$ (98,313)

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Trend Information

Three-Year Trend Information – Police Pension Trust Fund

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/2015	$ 1,083,519	89%	$ (98,313)
4/30/2014	951,018	99%	(218,242)
4/30/2013	815,430	111%	(227,242)

Valuation Date	April 30, 2014
Percent Funded	77.18%
Actuarial accrued liability for benefits	
Actuarial value of assets	11,564,465
Unfunded actuarial accrued accrued liability (UAAL)	3,434,718
Covered payroll (annual payroll of active employees covered by the Plan)	1,848,853
Ratio of UAAL covered payroll	186%

The schedule of funding progress presented in the RSI following the notes the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.25%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Cost-of-living adjustments	
Tier 1, per year, compounded	3.00%
Tier 2, per year, simple	2.00%
Mortality Table	RP 2000 CHBCA

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:
The financial statements for the Firefighters' Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings.

No stand-alone statements are issued for the defined benefit pension plan. Due to the fact that the Firefighters' Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Summary of Significant Accounting Policies (Continued)

Plan Description

Plan administration:
Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of April 30, 2014, and, accordingly, the most recent available information has been presented.

Management of the Fire Pension Plan is vested in the Fire Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees. There was a change in the makeup of the Board during fiscal year 2015.

Plan Membership:
At April 30, 2014, the Firefighters' Pension Plan membership consisted of:

Inactive plan members or their beneficiaries currently receiving benefits	12
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	23
Total	35

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Plan Description (Continued)

Benefits provided:
The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:
Covered firefighter employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by December 31, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was $495,755, or 26.81% of member payroll, to the Firefighters' Pension Fund.

Investments
Investment policy:
The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters' Pension Board by a majority vote of its members. It is the policy of the Firefighters' Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments (Continued)

refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Firefighters' Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	0%	20%
Fixed Income	0%	75%
Equities	15%	75%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Fixed Income:			
US Treasuries	4.30%	2.50%	1.75%
US Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
High-Yield Fixed Income	6.00%	2.50%	3.50%
Emerging Market Fixed Income	6.50%	2.50%	4.00%
Equities:			
International Equities	7.50%	2.50%	5.00%
US Large-Cap Equities	7.80%	2.50%	5.25%
US Mid-Cap Equities	7.50%	2.50%	5.00%
US Small-Cap Equities	7.80%	2.50%	5.25%
Alternatives:			
Real Estate	6.80%	2.50%	4.50%
Global Infrastructure	7.30%	2.50%	4.75%
Natural Resources	3.80%	2.50%	1.25%

Method used to value investments:
Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Significant Investments:
Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Rate of return:
For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.36. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	$ 16,023,427
Plan fiduciary net position	12,472,175
Village's net pension liability	$ 3,551,252
Plan fiduciary net position as a percentage of the total pension liability	77.26%

The total pension liability was determined by an actuarial valuation as of April 30, 2014, using the following methods and actuarial assumptions, applied to all periods included in the measurement and rolled forward to April 30, 2015:

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll Closed
Discount Rate used for the Total Pension Liability	7.25%
Long-Term Expected Rate of Return on Plan Assets	7.25%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Actuarial assumptions:	
Mortality Table	RP-2000 CHBCA
Retirement Rates	2012 Illinois Department of Insurance, 100% by age 70
Disability Rates	2012 Illinois Department of Insurance
Termination Rates	2012 Illinois Department of Insurance
Percent Married	80%

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village (Continued)

The actuarial assumptions used in the April 30, 2014 valuation were based on the results of an actuarial assumption study based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012. The study was performed by the Illinois Department of Insurance, which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:
The discount rate used to measure the total pension liability is 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 90 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:
The following presents the net pension liability of the Village as of the valuation date of April 30, 2014, calculated using the discount rate of 7.25 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Village's net pension liability	$ 5,381,552	$ 3,410,224	$ 1,768,053

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as RSI following the notes to the financial statements.

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Firefighters' Pension Plan level. Effective for fiscal years ending on or after April 30, 2015, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 13.

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation in accordance with GASB Statement No. 27 was performed as of April 30, 2014. The Village's annual pension cost and net pension obligation rolled forward to April 30, 2015 were as follows:

Annual required contribution	$ 497,595
Interest on net pension obligation	(5,417)
Adjustment to annual requirement contribution	3,577
Annual pension cost	495,755
Contributions made	452,297
(Increase) in pension (asset)	43,458
Net pension (asset) beginning of year	(93,314)
Net pension (asset) end of year	$ (49,856)

Trend Information

Three-Year Trend Information - Firefighters' Pension Trust Fund

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/2015	$ 495,755	91%	$ (49,856)
4/30/2014	417,340	108%	(93,314)
4/30/2013	390,188	108%	(103,576)

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund-GASB Statement No. 27 Disclosures (Continued)

Valuation Date	April 30, 2014
Percent Funded	77.18%
Actuarial accrued liability for benefits	
Actuarial value of assets	11,564,465
Unfunded actuarial accrued accrued liability (UAAL)	3,434,718
Covered payroll (annual payroll of active employees covered by the Plan)	1,848,853
Ratio of UAAL covered payroll	186%

The schedule of funding progress presented in the RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.25%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Cost-of-living adjustments	
Tier 1, per year, compounded	3.00%
Tier 2, per year, simple	2.00%
Mortality Table	RP 2000 CHBCA

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Net Position
Pension Trust Funds
April 30, 2015

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	$ 450,529	$ 384,071	$ 834,600
Investments, at fair value:			
Municipal bonds	921,372	615,929	1,537,301
Corporate bonds	3,431,260	2,205,357	5,636,617
U.S. Government and agency obligations	3,657,185	2,304,980	5,962,165
Stock equities	8,811,882	3,716,810	12,528,692
Equity mutual funds	6,882,726	3,180,374	10,063,100
	24,154,954	12,407,521	36,562,475
Other assets	104,542	67,625	172,167
Total assets	24,259,496	12,475,146	36,734,642
Liabilities			
Other liabilities	7,013	2,971	9,984
Net Position			
Held in trust for pension benefits	$ 24,252,483	$ 12,472,175	$ 36,724,658

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Net Position
Pension Trust Funds
Year Ended April 30, 2015

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	$ 963,590	$ 452,297	$ 1,415,887
Plan members	345,693	170,122	515,815
Total contributions	1,309,283	622,419	1,931,702
Investment income:			
Net appreciation in fair value of investments	1,221,092	480,264	1,701,356
Interest and dividends	789,306	428,407	1,217,713
Total investment income	2,010,398	908,671	2,919,069
Less: Investment expense	72,030	36,827	108,857
Net investment income	1,938,368	871,844	2,810,212
Total additions	3,247,651	1,494,263	4,741,914
Deductions			
Benefits and refunds	1,532,732	581,931	2,114,663
Administrative expenses	41,439	29,115	70,554
Total deductions	1,574,171	611,046	2,185,217
Net increase	1,673,480	883,217	2,556,697
Net position held in trust for pension benefits:			
May 1, 2014	22,579,003	11,588,958	34,167,961
April 30, 2015	$ 24,252,483	$ 12,472,175	$ 36,724,658

Note 7. Postemployment Healthcare Plan

Plan Description. The Village of South Holland (Village) provides employer paid retiree medical and dental insurance to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. The Village provides employer paid insurance benefits to retirees above the age of 65 and their dependents if the retirement occurred before October 1, 1993. In addition, the Village provides employer-paid retiree life insurance to eligible retirees. The life insurance benefit is $40,000 up to the age of 70 and $20,000 for ages 70 and above. This is a single-employer plan. The Postemployment Healthcare Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's postemployment healthcare plan with an employer contribution rate of 85% of the premiums for the coverage elected by the employee. For fiscal year 2015, the Village contributed $455,234 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The most recent actuarial valuation date for the postemployment healthcare plan was May 1, 2014.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2015, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	$ 1,115,662
Interest on net OPEB obligation	204,509
Adjustment to annual requirement contribution	(337,666)
Annual OPEB cost	982,505
Contributions made	455,234
Increase in OPEB obligation	527,271
Net OPEB obligation beginning of year	6,816,953
Net OPEB obligation end of year	$ 7,344,224

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
04/30/2015	$ 982,505	46%	$ 7,344,224
04/30/2014	962,087	48%	6,816,953
04/30/2013	973,257	41%	6,319,193

Note 7. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress. As of May 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $11,018,550, and the actuarial value of assets was $0, resulting in an unfunded actuarial liability ("UAAL") of $11,018,550. The covered payroll was $9,943,992 and UAAL to the covered payroll was 111 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projected Unit Credit – Under this cost method, the costs attributable to past service and the current year's service are determined by prorating overall years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employer's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. The accrued liability is determined equal to the present value of the past year's portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the May 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 9 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at May 1, 2014 was 30 years.

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The Village is self-insured up to $300,000 of each worker's compensation claim incident with an overall retention of $950,000 per claim year. Property and casualty is a standard insurance component with various deductible amounts starting at $5,000 per incident.

All incurred and not reported claims have been estimated based on historical experience and have been accrued. There has been no significant reduction in insurance coverage from the prior year. The Village's settlements did not exceed its insurance coverage during the past three years.

Changes in the balances of claims liabilities are as follows:

Unpaid Claims at April 30, 2013	$ 176,319
Provision for claims	507,459
Claims paid	(414,742)
Unpaid Claims at April 30, 2014	269,036
Provision for claims	377,017
Claims paid	(237,505)
Unpaid Claims at April 30, 2015	$ 408,548

Note 9. Commitments

The Village is committed to pay several developers within tax incremental financing (TIF) districts after the developers have completed certain project improvements and satisfied other conditions. These conditions vary from developer to developer; however, in all cases these amounts are only due to be paid from future revenues which will arise from the new development within the new districts.

The Village also has construction commitments of $2,424,786 as of April 30, 2015.

The Village has an agreement with a local retail store in the community to provide possible future economic assistance. The Village agreed to remit a percentage of total sales taxes received by the Village to the retailer. The Village has a remaining obligation of $654,410 as of April 30, 2015.

Note 10. Other Financial Disclosures (FFS Level Only)

(a) Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2015, are as follows:

Fund	Due from Other Funds
Major Governmental:	
General Fund,	
South Suburban Community College TIF Fund	$ 458,708
Water Fund	637,135
Downtown TIF Capital Projects Fund	
Downtown TIF Debt Service Fund	9,577
Nonmajor Governmental:	
Construction Fund Debt Service Fund	
Construction Fund Capital Projects Fund	282,946
Park Fund	
Veteran's Park	458,645
Total	$ 1,847,011

Fund	Due to Other Funds
Major Governmental	
South Suburban Community College TIF Fund	
General	$ 458,708
Nonmajor Governmental:	
Construction Fund Debt Service Fund	
Park Fund	458,645
Construction Fund Capital Projects Fund	282,946
Downtown TIF Debt Service Fund	
Downtown TIF Capital Projects Fund	9,577
Business-Type Activities	
Water Fund	
General Fund	637,135
Total	$ 1,847,011

Interfunds are used as loans to fund cash needs of individual funds.

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(b) Transfer In/Out

The interfund transfers in and out for the year ended April 30, 2015, are as follows:

Fund	Transfers In
Major Governmental:	
Downtown TIF,	
South Suburban Community College TIF Fund	$ 2,000,000
Nonmajor Governmental Funds:	
General Fund	400,000
South Suburban Community College TIF	600,000
Nonmajor Governmental Funds	597,226
Total	$ 3,597,226

Fund	Transfers Out
Major Governmental	
General Fund,	
Nonmajor Governmental Funds	$ 400,000
South Suburban Community College TIF	
Downtown TIF,	2,000,000
Nonmajor Governmental Funds	600,000
Nonmajor Governmental Funds	
Nonmajor Governmental Funds	597,226
Total	$ 3,597,226

Transfers are used to (a) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (b) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; and (c) use unrestricted revenue collections in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(c) Excess of Expenditures Over Budget

The following funds overexpended their budget by the following amounts during the year ended April 30, 2015:

		Excess
Nonmajor Governmental:		
Special Revenue:		
Park	$	14,736
Major Business-Type		
Water		76,249

(d) Deficit Fund Balances

The following funds reported deficits in fund balance as of April 30, 2015:

		Deficit
Major Governmental		
Capital Projects Fund		
South Suburban Community College TIF	$	1,721,864
Nonmajor Governmental:		
Special Revenue,		
Park		30,267
Capital Project,		
Construction Fund		741,591
Debt Service Fund		
Downtown TIF		12,777
Construction Fund		5,657

These deficit fund balances are expected to be funded by future operating revenues.

Note 11. New Governmental Accounting Standards

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, will be effective for the Village beginning with its year ending April 30, 2016. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68,* will be effective for the Village beginning with its year ended April 30, 2016. This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entities.

GASB Statement No. 72, *Fair Value Measurement and Application,* will be effective for the Village beginning with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements; however, the impact of GASB Statement No. 68 and No. 75 will likely be material to the financial statements of the Village.

Required Supplementary Information

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Funding Progress
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	$ 9,383,636	$ 14,995,300	$ 5,611,664	62.58 %	$ 4,850,256	115.70 %
12/31/2013	7,722,577	13,545,370	5,822,793	57.01	4,799,120	121.33
12/31/2012	5,544,835	12,440,899	6,896,064	44.57	4,692,235	146.97

On a market value basis, the actuarial value of assets as of December 31, 2014 is $12,083,009. On a market basis, the funded ratio would be 80.58%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of South Holland. They do not include amounts for retirees. The actuarial liability for retirees is 100% funded.

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Funding Progress
Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)	
04/30/2014	$ 22,579,002	$ 33,252,566	$ 10,673,564	67.90	%	$ 3,510,922	304.00	%
04/30/2013	20,699,546	29,981,667	9,282,121	69.00		3,469,120	267.60	
04/30/2012	N/A	N/A	N/A	N/A		N/A	N/A	
04/30/2011	18,341,232	26,577,350	8,236,118	69.00		3,217,927	255.90	
04/30/2010	16,838,691	24,370,492	7,531,801	69.10		3,231,690	233.10	
04/30/2009	14,721,637	21,670,837	6,949,200	67.90		2,783,898	249.60	

Note: Information included for all periods available.

Required Supplementary Information
Schedule of Employer Contributions - GASB Statement No. 27
Police Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed	
2015	$ 1,089,522	88.44	%
2014	957,021	98.68	
2013	925,000	98.66	
2012	819,215	99.88	
2011	665,245	109.02	
2010	655,864	118.90	
2009	662,525	103.60	

Note: Information included for all periods available.

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Funding Progress
Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)	
04/30/2014	$ 11,588,959	$ 14,999,183	$ 3,410,224	77.30	%	$ 1,848,853	184.50	%
04/30/2013	10,719,552	13,548,008	2,828,456	79.10		1,787,295	158.30	
04/30/2012	9,932,415	12,414,006	2,481,591	80.00		1,702,105	145.80	
04/30/2011	9,215,840	11,177,556	1,961,716	82.40		1,629,894	120.40	
04/30/2010	8,430,840	10,807,288	2,376,448	78.00		1,586,541	149.80	
04/30/2009	7,336,532	9,759,271	2,422,739	75.20		1,534,196	157.90	

Note: Information included for all periods available.

Required Supplementary Information
Schedule of Employer Contributions
Firefighters' Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed	
2015	$ 497,595	90.90	%
2014	465,364	97.57	
2013	437,345	97.09	
2012	391,229	112.03	
2011	416,590	97.20	
2010	345,553	123.61	
2009	385,864	99.36	

Note: Information included for all periods available.

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Funding Progress
Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
05/01/2014	$ -	$ 11,018,550	$ 11,018,550	- %	$ 9,943,992	110.81
05/01/2012	-	10,354,183	10,354,183	-	9,298,310	111.36
05/01/2011	-	10,914,404	10,914,404	-	9,251,895	117.97

Village of South Holland

Required Supplementary Information - Police Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	$ 839,522
Interest on the total pension liability	2,412,451
Benefit payments	(1,532,732)
Net change in total pension liability	1,719,241
Total pension liability—beginning	33,252,566
Total pension liability—ending (a)	$ 34,971,807
Plan fiduciary net position	
Contributions - Employer	$ 963,590
Contributions - Member	345,693
Pension plan net investment income	1,938,368
Benefit payments	(1,532,732)
Pension plan administrative expense	(41,439)
Net change in plan fiduciary net position	1,673,480
Plan fiduciary net position—beginning	22,579,003
Plan fiduciary net position—ending (b)	$ 24,252,483
Net pension liability - ending (a) - (b)	**$ 10,719,324**
Plan fiduciary net position as a percentage of the total pension liability	**69.35%**
Covered-Employee Payroll	**$ 3,488,329**
Employer net pension liability as a percentage of covered-employee payroll	**307.29%**
Annual money-weighted rate of return, net of investment expense	**8.42%**

The Village implemented GASB 67 in FY 2015.

Village of South Holland

Required Supplementary Information - Fire Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	$ 504,634
Interest on the total pension liability	1,101,541
Benefit payments	(581,931)
Net change in total pension liability	1,024,244
Total pension liability—beginning	14,999,183
Total pension liability—ending (a)	$ 16,023,427
Plan fiduciary net position	
Contributions - Employer	$ 452,297
Contributions - Member	170,122
Pension plan net investment income	871,844
Benefit payments	(581,931)
Pension plan administrative expense	(29,115)
Net change in plan fiduciary net position	883,217
Plan fiduciary net position—beginning	11,588,958
Plan fiduciary net position—ending (b)	$ 12,472,175
Net pension liability - ending (a) - (b)	**$ 3,551,252**
Plan fiduciary net position as a percentage of the total pension liability	**77.84%**
Covered-Employee Payroll	**$ 1,801,128**
Employer net pension liability as a percentage of covered-employee payroll	**186.06%**
Annual money-weighted rate of return, net of investment expense	**7.36%**

The Village implemented GASB 67 in FY 2015.

Village of South Holland, Illinois

Required Supplementary Information - GASB Statement No. 67
Schedule of Contributions

Police Pension Plan

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	$ 819,215	$ 957,021	N/A	$ 819,215	$ 665,245	$ 655,864	$ 662,525	N/A	$ 540,328
Contributions in Relation to the Actuarial Determined Contribution	944,381	912,627	N/A	725,234	779,916	686,661	651,259	N/A	533,527
Contribution Deficiency (excess)	$ (125,166)	$ 44,394		$ 93,981	$ (114,671)	$ (30,797)	$ 11,266	$ -	$ 6,801
Covered-Employee Payroll	$ 3,510,922	$ 3,469,120	N/A	$ 3,217,927	$ 3,231,690	$ 2,783,898	$ 2,801,713	N/A	$ 2,548,931
Contributions as a Percentage of Covered-Employee Payroll	26.90%	26.31%	N/A	22.54%	24.13%	24.67%	23.25%	N/A	20.93%

Note: Information included for all periods available.

Firefighters' Pension Plan

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	$ 419,180	$ 465,364	$ 437,345	$ 391,229	$ 416,590	$ 345,553	$ 385,864	N/A	N/A
Contributions in Relation to the Actuarial Determined Contribution	454,061	424,630	438,286	404,941	427,153	383,384	385,864	N/A	N/A
Contribution Deficiency (excess)	$ (34,881)	$ 40,734	$ (941)	$ (13,712)	$ (10,563)	$ (37,831)	$ -		
Covered-Employee Payroll	$ 1,848,853	$ 1,787,295	$ 1,702,105	$ 1,626,894	$ 1,586,541	$ 1,534,196	$ 1,436,117	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	24.56%	23.76%	25.75%	24.89%	26.92%	24.99%	26.87%	N/A	N/A

Note: Information included for all periods available.

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 8,044,500	$ 7,867,723	$ (176,777)
Intergovernmental taxes	7,135,000	7,371,920	236,920
Licenses	1,023,500	1,059,829	36,329
Permits and fees	953,500	1,127,289	173,789
Fines and forfeitures	1,057,500	1,205,152	147,652
Charges for services	2,810,000	2,193,019	(616,981)
Grants	75,000	220,302	145,302
Interest	5,000	11,224	6,224
Miscellaneous	854,500	998,927	144,427
Total revenues	21,958,500	22,055,385	96,885
Expenditures:			
Current			
General government	6,129,928	5,378,787	751,141
Fire department	3,575,115	3,363,996	211,119
Police department	7,084,154	7,819,469	(735,315)
Building department	853,862	824,311	29,551
Civil defense	40,169	27,172	12,997
Public works	1,788,875	1,752,984	35,891
Garbage department	1,925,000	2,049,972	(124,972)
Capital outlay	564,340	619,967	(55,627)
Total expenditures	21,961,443	21,836,658	124,785
Excess (deficiency) of revenues (under) expenditures	(2,943)	218,727	221,670
Other financing (uses):			
Transfers (out)	(400,000)	(400,000)	-
Net change in fund balance	$ (402,943)	(181,273)	$ 221,670
Fund balance:			
May 1, 2014		4,254,024	
April 30, 2015		$ 4,072,751	

Note 1. Budgetary Basis of Accounting

The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 2. Stewardship, Compliance and Accountability

(a) Budgetary Information

The Village follows these procedures in establishing the appropriation data reflected in the financial statements:

1. The Village Treasurer submits to the Village Board of Trustees a proposed operating appropriation ordinance (budget) for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the Village to obtain taxpayer comments.

3. Subsequently, the appropriation ordinance is legally enacted through passage of an ordinance.

4. Formal budgetary integration is employed as a management control device during the year for the general, debt service and certain special revenue funds. While formal budgetary integration is not required to be employed for the debt service funds because effective budgetary control can alternatively be achieved through general obligation bond indenture provisions, the Village has budgeted its debt service funds. Budgets for TIF Capital Project Funds (included within both major and aggregate nonmajor funds), Veterans Park Construction Fund (included within aggregate nonmajor funds), and police seizure expenditures in the General Fund are not formally adopted as part of the Village's annual appropriation.

5. Appropriations for the general, debt service and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

6. Budgetary authority lapses at the year-end.

7. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.

8. Appropriated amounts are as originally adopted.

Note 3. Pension Contributions

The following methods and assumptions were utilized to measure the actuarially determined contribution (“ADC”) for each applicable pension plan.

Police Pension Plan

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.25%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Cost-of-living adjustments	
Tier 1, per year, compounded	3.00%
Tier 2, per year, simple	2.00%
Mortality Table	RP 2000 CHBCA

Firefighters’ Pension Plan

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.25%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Cost-of-living adjustments	
Tier 1, per year, compounded	3.00%
Tier 2, per year, simple	2.00%
Mortality Table	RP 2000 CHBCA

Supplementary Information

Village of South Holland, Illinois

General Fund
Schedule of Revenues - Budget and Actual
Year Ended April 30, 2015

	Original and Final Budget	Actual
Property taxes:		
General	$ 8,044,500	$ 7,867,723
Intergovernmental:		
Sales tax, net of rebates $183,375	2,415,000	2,816,876
State income tax	2,145,000	2,157,500
Utility tax	2,260,000	2,057,026
Replacement tax	165,000	171,798
Motel tax	150,000	168,720
Total intergovernmental	7,135,000	7,371,920
Licenses:		
Business licenses	130,000	127,169
Vehicle licenses	550,000	565,843
Other licenses	343,500	366,817
Total licenses	1,023,500	1,059,829
Permits and fees:		
Building permits	350,000	427,891
Ambulance fees	600,000	678,963
Other permits	3,500	20,435
Total permits and fees	953,500	1,127,289
Fines and forfeitures		
Court fines	140,000	163,276
Parking fines	462,500	315,129
Local debt recoveries	250,000	414,545
Other fines	205,000	312,202
Total fines and forfeitures	1,057,500	1,205,152
Charges for services	2,810,000	2,193,019
Grants	75,000	220,302
Interest	5,000	11,224
Miscellaneous revenues:		
Rental income	145,000	114,442
Property owner payment	5,000	3,954
Reimbursed expenses	325,000	417,261
Special events	-	7,273
Other miscellaneous revenues	379,500	455,997
Total miscellaneous revenues	854,500	998,927
Total revenues	$ 21,958,500	$ 22,055,385

Village of South Holland, Illinois

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2015

	Original and Final Budget	Actual
General government:		
General administrative and support	$ 6,104,128	$ 5,351,977
Community development, boards and commissions	25,800	26,810
Total general government	6,129,928	5,378,787
Fire	3,575,115	3,363,996
Police	7,084,154	7,819,469
Building	853,862	824,311
Public Safety,		
Civil defense	40,169	27,172
Public works	1,788,875	1,752,984
Garbage	1,925,000	2,049,972
Capital outlay	564,340	619,967
Total expenditures	$ 21,961,443	$ 21,836,658

Village of South Holland, Illinois

Schedule of Equalized Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Tax Levy Years	2014	2013	2012	2011	2010
Equalized Assessed Valuations	$ 331,088,773	$ 339,782,561	$ 362,025,035	$ 398,132,364	$ 502,008,316
Tax rates (per $100 of equalized assessed valuation):					
General	2.1780	1.9995	1.8019	1.7129	1.1667
Park maintenance	0.3889	0.3492	0.3114	0.2959	0.2016
Debt service	0.3901	0.3738	0.3614	0.3595	0.2714
Police pension	0.3064	0.2951	0.2632	0.2494	0.1570
Firefighters' pension	0.1509	0.1440	0.1309	0.1252	0.0871
Library	0.5851	0.5535	0.4937	0.4690	0.3180
Total	3.9994	3.7151	3.3624	3.2120	2.2018
Tax extensions:					
General	$ 7,211,030	$ 6,793,880	$ 6,523,172	$ 6,201,297	$ 5,854,520
Park maintenance	1,287,500	1,186,560	1,127,335	1,071,200	1,024,953
Debt service	1,291,682	1,270,222	1,308,532	1,301,628	1,466,948
Police pension	1,014,550	1,002,705	952,750	902,913	798,250
Firefighters' pension	499,550	489,250	473,800	453,200	442,900
Library	1,937,203	1,880,780	1,787,308	1,697,955	1,617,100
Total	$ 13,241,515	$ 12,623,397	$ 12,172,897	$ 11,628,194	$ 11,204,671
Collections	$ 7,611,962	$ 12,037,212	$ 11,643,970	$ 11,284,374	$ 10,746,268
Percent collected	57.49%	95.36%	95.65%	97.04%	95.91%

Village of South Holland, Illinois

Schedule of Debt Service Requirements
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION BOND				
Dated June 15, 2005				
Interest payable June 15 and	2016	$ 395,000	$ 30,188	$ 425,188
December 15	2017	410,000	15,375	425,375
Paying Agent: BNY Mellon				
		$ 805,000	$ 45,563	$ 850,563
GENERAL OBLIGATION BOND (NON-TIF PORTION)	2016	$ 55,000	$ 99,985	$ 154,985
Dated December 20, 2012	2017	55,000	98,885	153,885
Interest payable June 15 and	2018	480,000	97,785	577,785
December 15	2019	490,000	88,185	578,185
Paying Agent: BNY Mellon	2020	500,000	78,385	578,385
Intended to be financed from	2021	515,000	68,385	583,385
incremental taxes and not	2022	520,000	58,085	578,085
from the extended tax levy	2023	535,000	47,685	582,685
	2024	550,000	36,985	586,985
	2025	555,000	25,435	580,435
	2026	575,000	13,225	588,225
		4,830,000	713,025	5,543,025
Total general obligation bonds		$ 5,635,000	$ 758,588	$ 6,393,588

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION TIF BOND				
Dated November 28, 2006				
Interest payable June 15 and	2016	$ 395,000	$ 31,995	$ 426,995
December 15	2017	415,000	16,393	431,393
Paying Agent: BNY Mellon				
		$ 810,000	$ 48,388	$ 858,388
GENERAL OBLIGATION BOND SERIES 2007A (TIF PORTION)				
Dated March 27, 2007				
Interest payable June 15 and December 15				
Paying Agent: BNY Mellon	2016	$ 85,000	$ 4,292	$ 89,292
GENERAL OBLIGATION TIF BOND SERIES 2007C (TIF PORTION)				
Dated March 27, 2007				
Interest payable June 15 and December 15				
Paying Agent: BNY Mellon				
Intended to be financed from incremental taxes and not from the extended tax levy	2016	$ 140,000	$ 5,320	$ 145,320

(continued)

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION BOND (TIF PORTION)	2016	$ 55,000	$ 101,435	$ 156,435
Dated December 20, 2012	2017	55,000	100,335	155,335
Interest payable June 15 and	2018	485,000	99,235	584,235
December 15	2019	500,000	89,535	589,535
Paying Agent: BNY Mellon	2020	505,000	79,535	584,535
Intended to be financed from	2021	515,000	69,435	584,435
incremental taxes and not	2022	535,000	59,135	594,135
from the extended tax levy	2023	545,000	48,435	593,435
	2024	555,000	37,535	592,535
	2025	570,000	25,880	595,880
	2026	580,000	13,340	593,340
		$ 4,900,000	$ 723,835	$ 5,623,835
GENERAL OBLIGATION TIF BOND	2016	$ -	$ 43,053	$ 43,053
Series 2015A	2017	140,000	66,235	206,235
Interest payable June 15 and	2018	155,000	64,135	219,135
December 15	2019	175,000	61,810	236,810
Paying Agent: BNY Mellon	2020	195,000	59,010	254,010
Intended to be financed from	2021	210,000	55,305	265,305
incremental taxes and not	2022	235,000	50,895	285,895
from the extended tax levy	2023	255,000	45,490	300,490
	2024	280,000	39,115	319,115
	2025	310,000	31,555	341,555
	2026	340,000	22,565	362,565
	2027	370,000	12,025	382,025
		$ 2,665,000	$ 551,193	$ 3,216,193
GENERAL OBLIGATION TIF BOND	2016	$ -	$ 92,398	$ 92,398
Series 2015B	2017	140,000	142,150	282,150
Interest payable June 15 and	2018	160,000	136,550	296,550
December 15	2019	185,000	130,150	315,150
Paying Agent: BNY Mellon	2020	215,000	122,750	337,750
Intended to be financed from	2021	245,000	114,150	359,150
incremental taxes and not	2022	280,000	104,350	384,350
from the extended tax levy	2023	310,000	93,150	403,150
	2024	350,000	80,750	430,750
	2025	395,000	66,750	461,750
	2026	445,000	47,000	492,000
	2027	495,000	24,750	519,750
		$ 3,220,000	$ 1,154,898	$ 4,374,898
Total general obligation TIF bonds		$ 11,820,000	$ 2,487,926	$ 14,307,926

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION CAPITAL APPRECIATION BOND SERIES 2007B	2016	$ 466,174	$ 183,826	$ 650,000
Dated March 27, 2007	2017	446,602	203,398	650,000
Interest payable June 15	2018	427,427	222,573	650,000
Paying Agent: BNY Mellon	2019	409,149	240,851	650,000
	2020	252,550	167,450	420,000
		$ 2,001,902	$ 1,018,098	$ 3,020,000
Accumulated accreted interest		702,341	(702,341)	-
		$ 2,704,243	$ 315,757	$ 3,020,000

	Year Ending April 30,	Principal	Interest	Total
TAX EXEMPT CAPITAL LEASE				
Dated September 23, 2013	2016	$ 24,071	$ 5,907	$ 29,978
Interest payable annually on September 23	2017	26,169	3,810	29,979
Paying Agent: Municipal Asset Management, Inc.	2018	17,552	1,530	19,082
		$ 67,792	$ 11,247	$ 79,039

	Year Ending April 30,	Principal	Interest	Total
ILLINOIS ENVIRONMENTAL PROTECTION	2016	$ 173,086	$ 41,506	$ 214,592
AGENCY LOAN	2017	175,256	39,335	214,591
Dated September 16, 2010	2018	177,454	37,138	214,592
Interest payable February 2 and	2019	179,679	34,913	214,592
August 2	2020	181,932	32,660	214,592
Paying Agent: IEPA	2021	184,213	30,379	214,592
Intended to be financed from	2022	186,523	28,069	214,592
water operations and not	2023	188,862	25,730	214,592
from the extended tax levy	2024	191,230	23,362	214,592
	2025	193,628	20,964	214,592
	2026	196,056	18,536	214,592
	2027	198,514	16,078	214,592
	2028	201,003	13,588	214,591
	2029	203,524	11,068	214,592
	2030	206,076	8,516	214,592
	2031	208,660	5,932	214,592
	2032	211,276	3,316	214,592
	2033	106,627	665	107,292
		$ 3,363,599	$ 391,755	$ 3,755,354